

FOR IMMEDIATE RELEASE

PSC TO MONITOR NORTHWESTERN ENERGY

LINCOLN – The Nebraska Public Service Commission will monitor the financial condition of Northwestern Energy, a natural gas utility serving customers in four Nebraska communities, after receiving reports that the company is facing financial difficulties.

Northwestern Energy, headquartered in Sioux Falls, provides natural gas to retail customers in Alda, Grand Island, Kearney and North Platte, as well as customers in Montana and South Dakota.

In a recent quarterly report filed with the federal Securities and Exchange Commission, Northwestern Energy said, “We face significant and immediate liquidity challenges that are materially and adversely affecting our ability to fund our operations and service our substantial indebtedness.” The company said it may be required to seek protection with a bankruptcy filing.

In opening the proceedings to monitor Northwestern Energy, the Nebraska Commission said the company cites poor performance of its non-energy businesses and significant indebtedness as factors contributing to its current financial condition. As of June 30, Northwestern had a common stockholders’ deficit of \$503.9 million and \$2.2 billion in debt and trust preferred instruments outstanding.

The Commission’s action was taken, it said, “to ensure that all of Northwestern Energy’s Nebraska customers continue to receive adequate and reliable natural gas service.” The company has assured the Commission that service will not be disrupted.

The Commission initiated the proceeding regarding Northwestern Energy under the Natural Gas Regulation Act, which was passed May 30 by the Nebraska Legislature. The law provides for regulation and oversight of privately held natural gas retailers by the Commission.

Commissioner Rod Johnson, who represents the Fourth District, including the towns of Alda and Grand Island, said, “We will diligently follow this matter as the winter months approach to assure the municipalities and customers that Northwestern’s obligation to provide service to its Nebraska customers will be met.”

If the affected city governments or the public have questions concerning Northwestern Energy as it relates to their continued service and the upcoming winter months, they should contact Northwestern Energy.

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